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BEFORE THE ARIZONA CORPORATION COMMISSION

ORIGINAL

COMMISSIONERS

KRISTIN K. MAYES

CHAIRMAN

GARY PIERCE

PAUL NEWMAN

SANDRA D. KENNEDY

BOB STUMP

Arizona Corporation Commission

DOCKETED

JUL 16 2009

DOCKETED BY

AZ CORP COMMISSION
DOCKET CONTROL

2009 JUL 16 P 12:37

RECEIVED

**IN THE MATTER OF THE APPLICATION
OF SONOITA VALLEY WATER
COMPANY FOR A RATE INCREASE**

Docket No. W-20435A-09-0296

**RESPONSE TO
LETTER OF DEFICIENCY**

Sonoita Valley Water Company ("Sonoita" or "Company"), hereby responds to
Arizona Corporation Commission Staff's Letter of Deficiency, as follows:

Item 1: The bill counts provided do not agree with the information provided on page 3 of the application. The Company's bill counts included on pages 27-31 of the application amount to 303 bills for the year, but page 3 of the application indicates that there are 99 connections which would have equivalent bill counts of 1,188 bills if each connection is billed monthly. Please explain, correct and/or reconcile.

Response: Attachment 1 summarizes the bill count pages, rates charged, and revenues before and after rate consolidation. The amended water use data sheets (page 18 on the application), which accurately reflect the number of active company customers each month, are set forth in Attachment 2. The 99 connections reference on page 3 of the application refers to both active and inactive connections (i.e., where meters are set, but the property is not being served water).

1 **Item 2:** The bill counts provided on pages 27-31 produce revenues of \$15,458 vs.
2 revenues of \$52,355 on page 19 of the application. Please correct and/or reconcile.

3 **Response:** The correct test year revenues are \$52,186. See Attachment 1.

4 **Item 3:** Please file the Department of Revenue Certificate indicated in the
5 application (Exhibit 2) as an item to be late filed.

6 **Response:** The Company filed the Certificate on June 24, 2009.

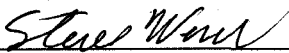
7
8 **Item 4:** Engineering Sufficiency Issue, Referring to Application, Exhibit 3. The
9 Company has three Public Water Systems ("PWS"): PWS# 12-005, PWS# 12-010 and
10 PWS# 12-308. Please submit a copy of the most recent ADEQ annual sampling fee
invoice for the Southern system PWS# 12-010 Monitoring Assistance Program ("MAP").

11 **Response:** See Attachment 3.

12 **Item 5:** Engineering Sufficiency Issue, Referring to Application, page 16-B and 16-
13 C (Water Company Plant Description/Wells): Please complete Wells information,
14 including correct ADWR ID Numbers.

15 **Response:** See Attachment 4.

16 **MOYES SELLERS & SIMS**

17
18 
19 Steve Wene
20 Attorneys for Sonoita Valley Water Company

21
22 Original and 15 copies of the foregoing
23 filed this 16th day of July, 2009, with:

24 Docket Control
25 Arizona Corporation Commission
26 1200 West Washington
Phoenix, Arizona 85007

27 Copy of the foregoing mailed this
28 16th day of July, 2009, to:

1 Gerald Becker
2 Utilities Division
3 Arizona Corporation Commission
4 1200 West Washington Street
5 Phoenix, Arizona 85007

6 Lyn Farmer
7 Hearing Division
8 Arizona Corporation Commission
9 1200 West Washington Street
10 Phoenix, Arizona 85007

11 Donnelly Herbert
12
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ATTACHMENT 1

Sonoita Valley Water Company
 Southern Water Company (system merged into Sonoita, and rates common systemwide as of 04/01/08)
 Docket No. W-20435A-09-0296
 Summary of Bill Count Pages, Rates Charged, and Revenue Pre and Post-Rate Consolidation

System		Meter	Test Year	Bill Count	Monthly	Gallons			Test Year		Bills
	Size		Bill Count	Page Number	Minimum	Included in	Tier 1	Tier 2	Tier 3	Revenue	
			Time Period	Reference	Charge						
First Rate Set Per Decision 57235											
Sonoita	5/8 x 3/4 inch	First Quarter		27-A and 31-A	\$ 16.00	\$4.00				1,000 \$	2,820
	1 inch	First Quarter		27-B and 31-B	20.00	4.00				1,000	60
	1 1/2 inch	First Quarter		27-C and 31-C	25.00	4.00				1,000	117
Second Rate Set Per Decision 57313											
Southern	5/8 x 3/4 inch	First Quarter		27-D and 31-D	\$ 15.00	\$2.84				1,000	4,336
	1 inch	First Quarter		27-E and 31-E	30.00	2.84				1,000	108
	1 1/2 inch	First Quarter		27-F and 31-F	45.00	2.84				1,000	173
	3/4 inch	Entire Year		27-G to 31-G	17.00	2.84				1,000	579
	Standpipe	Entire Year		27-H to 31-H	-	4.00				-	258
Third Rate Set averaged (First and Fifth rate sets) for rate change April 1, 2008											
Sonoita	5/8 x 3/4 inch	April Only		28-I and 31-I	\$ 20.00	\$4.37	\$4.75	\$5.25		1,000	1,367
	1 inch	April Only		28-J and 31-J	26.00	4.37	4.75	5.25		1,000	37
	1 1/2 inch	April Only		28-K and 31-K	36.00	4.37	4.75	5.25		1,000	36
Fourth Rate Set averaged (Second and Fifth rate sets) for rate change April 1, 2008											
Southern	5/8 x 3/4 inch	April Only		28-L and 31-L	\$ 19.50	\$3.79	\$4.17	\$4.67		1,000	2,805
	1 inch	April Only		28-M and 31-M	31.00	3.79	4.17	4.67		1,000	52
	1 1/2 inch	April Only		28-N and 31-N	46.00	3.79	4.17	4.67		1,000	59
Fifth Emergency Interim Rate Set Per Decision 70202 for combined system											
Combined	5/8 x 3/4 inch	May, June, Q3 & Q4		28-O to 31-O	\$ 24.00	\$4.74	\$5.50	\$6.50		-	37,649
	1 inch	May, June, Q3 & Q4		28-P to 31-P	32.00	4.74	5.50	6.50		-	732
	1 1/2 inch	May, June, Q3 & Q4		28-Q to 31-Q	47.00	4.74	5.50	6.50		-	998
Test Year Totals \$										52,186	1,098

ATTACHMENT 2

WATER USE DATA SHEET BY MONTH FOR TEST YEAR

18-A

COMPANY NAME: Sonoita Valley Water Company		Test Year Ended: 31-Dec-08
Name of System: Los Enc (Southern)	ADEQ Public Water System Number: 12-010	

WATER USE DATA SHEET BY MONTH FOR TEST YEAR

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
January	36	194	270	-
February	36	172	245	-
March	36	231	322	-
April	36	354	406	-
May	36	357	491	-
June	36	428	537	-
July	36	319	349	-
August	35	209	209	-
September	35	227	227	-
October	35	226	280	-
November	35	242	280	-
December	35	221	221	-
TOTAL	N/A	* 3,180	3,837	-

What is the level of arsenic for each well on your system A32ABDH2010 0.003 mg/l
 (If more than one well, please list each separately.) mg/l

If system has fire hydrants, what is the fire flow requirement? N/A GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

X - YES NO

Is the water utility located in an ADWR Active Management Area (AMA)?

YES **X - NO**

Does the Company have an ADWR gallons per capita day (GPCPD) requirement?

YES **X - NO**

If yes, please provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact the Engineering Supervisor at 602-542-7277.

** this number must be equal to the number entered on Page 6, "sold gallons."*

*** Gallons pumped cannot equal or be less than the gallons sold.*

COMPANY NAME: Sonoita Valley Water Company		Test Year Ended: 31-Dec-08
Name of System: DT (Southern)	ADEQ Public Water System Number: 12-308	

WATER USE DATA SHEET BY MONTH FOR TEST YEAR

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
January	20	102	120	-
February	20	129	136	-
March	20	162	162	-
April	20	184	184	-
May	20	198	198	-
June	20	192	192	-
July	20	180	180	-
August	20	104	104	-
September	20	106	106	-
October	20	123	123	-
November	20	128	128	-
December	19	122	122	-
TOTAL	N/A	* 1,730	1,755	-

What is the level of arsenic for each well on your system _____ 0.0038 mg/l

(If more than one well, please list each separately.)

_____ mg/l

_____ mg/l

If system has fire hydrants, what is the fire flow requirement? N/A GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

X - YES **NO**

Is the water utility located in an ADWR Active Management Area (AMA)?

YES **X - NO**

Does the Company have an ADWR gallons per capita day (GPCPD) requirement?

YES **X - NO**

If yes, please provide the GPCPD amount: _____ N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact the Engineering Supervisor at 602-542-7277.

* this number must be equal to the number entered on Page 6, "sold gallons."

** Gallons pumped cannot equal or be less than the gallons sold.

ATTACHMENT 3

**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
MONITORING ASSISTANCE PROGRAM
ANNUAL SAMPLING FEE INVOICE**

* Pursuant to A.R.S. § 49-113, interest will be charged if full payment is not received by the specified due date. If you dispute the amount billed, please contact ADEQ as soon as possible. To reduce interest costs on an unpaid invoice, you may remit an amount that you believe is not in dispute. However, if nonpayment is due to a billing error, you may suffer an additional five percent penalty of up to twenty-five percent of the amount due for each month or fraction of a month the amount is past due.

If you have any questions about your invoice, contact W. Scott Steinhagen at (602) 771-4445 or toll-free within Arizona at (800) 234-5677, extension 771-4445.

Pursuant to A.R.S. § 49-360 F and A.A.C. R18-4-224 through R18-4-226, "The director shall establish fees for the monitoring assistance program to be collected from all public water systems..."

Owner Id #: 9763	Invoice Number 65416
To: SOUTHERN WATER CO PO BOX 85160 TUCSON AZ 85754	Public Water System ID #: 12010
	Billing for Calendar Year: 2009
	Due Date: November 17, 2008
	Total Amount Due \$ 347.66
	Amount Paid \$

† Keep the top portion for your records. †

ADEQ Federal Tax #866004791

↓ This entire bottom portion must be returned to ADEQ. ↓

ADEQ Federal Tax #866004791

Annual Sampling Fee Invoice

Invoice # 65416

SOUTHERN WATER CO PO BOX 85160 TUCSON AZ 85754	Owner Id #: 9763 MAP
	Billing for Calendar Year: 2009
	Due Date: 11/17/2008

12010 - Southern Water Co

ANNUAL SAMPLING FEE WORKSHEET

Base Fee (all MAP systems) \$ 250.00

Fee per Connection in 2009 38 connections X \$ 2.57 \$ 97.66

Total Sampling Fee \$ 347.66

Plus Paid Interest Charges and/or Other Adjustments \$ 0.00

Plus Unpaid Interest Charges as of 10/01/2008 \$ 0.00

Minus Payments Received and/or Other Adjustments \$ 0.00

Amount Due \$ 347.66

Amount received by ADEQ (Make check payable to State of Arizona) \$

* A \$12 fee will be charged for any check not honored by the bank.

Do not write below this line

Make your check or money order payable to State of Arizona
THIS FORM MUST ACCOMPANY YOUR REMITTANCE.

Mail to: Arizona Department of Environmental Quality
PO Box 18228
Phoenix, AZ 85005

Check Number:	
Received:	
Postmarked:	
Entered:	

ATTACHMENT 4

COMPANY NAME: Sonoita Valley Water Company	Test Year Ended: 12/31/2008
Name of System: Sonoita Valley	ADEQ Public Water System Number: 12-005

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-633050	2	20	503	4"	5/8"	pre-1982
55-528690	1	7	296	6"	5/8"	1990
55-214359	5	35	830	6"	5/8"	2007

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS

Horsepower	Quantity
5.0	1

FIRE HYDRANTS

Quantity Standard	Quantity Other

STORAGE TANKS

Capacity	Quantity
10,000	1

PRESSURE TANKS

Capacity	Quantity
3,000	1

COMPANY NAME: Sonoita Valley Water Company	Test Year Ended: 12/31/2008
Name of System: Los Enc (Southern)	ADEQ Public Water System Number: 12-010

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-620786	5	30	500	6	2	pre-1982

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS

Horsepower	Quantity
5.0	1

FIRE HYDRANTS

Quantity Standard	Quantity Other

STORAGE TANKS

Capacity	Quantity
10,000	1

PRESSURE TANKS

Capacity	Quantity

COMPANY NAME: Sonoita Valley Water Company	Test Year Ended: 12/31/2008
Name of System: DT (Southern)	ADEQ Public Water System Number: 12-308

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-620783	7.5	57	450	8"	2	pre-1982

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS

Horsepower	Quantity
7.5	1

FIRE HYDRANTS

Quantity Standard	Quantity Other

STORAGE TANKS

Capacity	Quantity

PRESSURE TANKS

Capacity	Quantity
5,000	1